

2008-2009 PERFORMANCE PLAN – Portfolio Manager, Supplemental Income Plans (G. Jimenez)

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Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
35%	457 Plan Gross of Fees Aggregate Return	Excess return in basis points relative to: CalPERS Custom 457 Plan Index Performance Benchmark. (SKZNA1-CPERSK5A)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
35%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<p>Demonstrate a commitment to leadership and ongoing communication within the Investment Office and in the external investment community as follows:</p> <ul style="list-style-type: none"> • Employee Performance and Development – By 6/30/09 ensure 90% completion rate for annual performance appraisals and employee development plans. • Employee Mentoring and Recognition – By 6/30/09, take proactive steps to coach and mentor employees, provide succession planning, and acknowledge staff (e.g. through activities such as providing training and development opportunities, holding recognition events, and effectuating the transfer of knowledge) • 360 Feedback Process – <ul style="list-style-type: none"> • By 12/1/08 begin the individual 360 feedback survey assessment process. • By 2/1/09 identify one to two areas of personal development. • By 6/30/09, participate in all personal coaching sessions provided and complete the development opportunity identified. • Investment Office Strategic Initiatives and Cultural Alignment – Ensure the successful implementation of the strategy and cultural alignment efforts by completing the following: <ul style="list-style-type: none"> • By 9/30/08, identify from our cultural profile an area in which we need to improve our culture and implement an improvement in my area by 3/30/09. • By 12/31/08, participate in a cultural reinforcement session with the Investment Office. • By 6/30/09, participate in the implementation of at least one Investment Office strategic initiative. • By 6/30/09, contribute to healthy dynamics and cultural alignment in the Investment Office (e.g. by demonstrating productive participation in meetings, communicating across asset classes, and clearly setting and communicating priorities) 	From Schedule

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
	Leadership, cont.	<ul style="list-style-type: none"> • External Investment Community – By 6/30/09, represent CalPERS in the external investment community through a meaningful and substantive engagement as follows: <ul style="list-style-type: none"> • Serve on at least one external board or committee; or • Conduct at least one presentation at conference or similar event; or write an article. • Diversity - By June 30, 2009, actively promote and achieve diversity among our investment partners and staff by doing at least two of the following: <ul style="list-style-type: none"> • Participate in at least one event designed to recruit staff to CalPERS • Participate in at least one outreach, education, or networking event that supports diversity in the public pension fund partner/manager community • Identify and gain approval for a diversity related initiative or project in the Investment Office or in the CalPERS enterprise(e.g., identify and implement a new emerging manager program, suggest and obtain approval for an outreach or educational event, identify and eliminate a requirement in an existing program that may serve as an artificial hurdle for new and emerging firms, or identify and implement an expansion or enhancement to an existing diversity program or effort) 	
15%	Customer Service	<ul style="list-style-type: none"> • By June 30, 2009 develop and implement an Escalated Customer Inquiry Improvement Plan with Third-Party Administrator to improve customer satisfaction and the timely resolution of such inquiries. By June 30, 2009 our target would be to complete 85% of escalated inquiries within 10 days. • By December 31, 2008, enhance participant educational and disclosures so they may make informed decisions about savings for retirement and selecting investment funds. Enhancements will include educational presentations and participant enrollment kits. 	From Schedule
15%	Product Development	<ul style="list-style-type: none"> • By March 30, 2009, complete the new fund rollout and transition to new funds for the POFF, 457 Plan and SCP. • By June 30, 2009, complete Employer & Employee product and service survey, and present findings to the CalPERS executive staff and the Board, as appropriate. 	From Schedule

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
15%	PSR /ETM /PERT Shared Objective	<p>The Pension System Resumption (PSR)/ Enterprise Transition Management (ETM) and Public Employer Readiness Team (PERT) Projects will be on track for operational implementation by Spring 2010 as measured by key milestones. Support these projects with these milestones by participating on the Business Owners' Committee (BOC) and representing the SIP.</p> <p>By March 31, 2009:</p> <ul style="list-style-type: none"> • Develop job descriptions/duty statements for new PSR roles in SIP. <p>By June 30, 2009:</p> <ul style="list-style-type: none"> • Support development of all PSR applications applicable to the SIP. • Complete Phase 2 of the Employer Education Web Conference Series ensuring SIP contracting employers have adequate training. • Complete Division-specific PSR-Readiness Plans • Develop PSR Governance Recommendations. 	From Schedule
5%	Privacy and Information Security Shared Objective	<p>Successful implementation of the CalPERS Enterprise Privacy and Security Program by June 30, 2009 will be measured by the following key milestones:</p> <ul style="list-style-type: none"> • By December 31, 2008, identify all security and privacy activities that may impact the security and confidentiality of CalPERS physical, informational, and/or financial assets. • By December 31, 2008, identify all resources required to ensure successful implementation. 	From Schedule
65%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	